



LIMITED REVIEW REPORT

To,
The Board of Directors
Kirloskar Electric Company Limited
Industrial Suburb, Rajajinagar
Bangalore.

We have reviewed the accompanying statement of unaudited financial results of Kirloskar Electric Company Limited ("the Company") for the quarter ended June 30, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been subject to review by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the independent auditor of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement subject to the following:-



B. K. Ramadhyani & Co

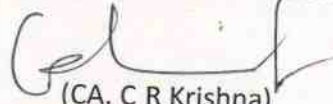
- 1 Inventories of Rs. 15,363.92 lakhs as at June 30, 2012 adopted for compilation of unaudited financial results are as valued by management for reasons detailed in paragraph 10(iii) of our report and para 2(c) of the annexure to the said report dated May 28, 2012 to the members of the Company. Pending completion of identification of mistakes and corrections in SAP to be made, comprehensive adjustment of discrepancies observed on physical verification and aligning the valuation with accounting standard 2, consequential impact on the consumption of materials and components, accretion/depletion to inventories of work in progress and finished goods and profit before and after tax expense for the period ended June 30, 2012 is not ascertained.
2. The unaudited financial results of the Company for the period under review is subject to and to be read with our comments in paragraph 10 (i), (ii), (iv) and (v) of our report dated May 28, 2012 to the members of the company on the audit of financial statements for the year ended March 31, 2012 relating to non provision for interest payable to micro, small and medium enterprises, debts more than 2 years of Rs. 2,390.17 lakhs being considered as good of recovery by Company, certain creditors, accounts receivable, loans and advances, balances of the Company with its erstwhile subsidiary Kaytee Switchgear Limited & the operating business of Kirloskar Power Equipment Limited, all of which are subject to review/ reconciliation/identification of further doubtful debts and advances, realizable value of assets held for sale amounting to Rs 793.09 lakhs being assessed by management without support of an external valuation or quotations from prospective buyers and dues from certain companies aggregating to Rs. 499.87 lakhs which have incurred losses and whose net worth has been partially or wholly eroded being considered as good of recovery. Effect on financial results is not ascertained.
- 3 Management has informed us that :-
 - a) the honorable Supreme Court of India has admitted a special leave petition filed by the Company in respect of sales tax penalty demand on its erstwhile subsidiary Kaytee Switchgear Limited (since merged with the Company) and confirmed by the honourable Karnataka High Court, amounting to Rs 362.12 lakhs.
 - b) the Company has been served with demand notices relating to prior years under Maharashtra Sales Tax Act aggregating to Rs 1,016.32 lakhs during the quarter, which it has disputed and filed appeals in this respect.
 - c) they believe, based on legal advice or internal assessment, that the outcome of these contingencies will be favorable, that loss is not probable and accordingly, no provision is to be recognized for the same in the interim financial results.



B. K. Ramadhyani & Co

A copy of the unaudited financial results of the Company for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

For B. K. Ramadhyani & Co.,
Chartered Accountants
Firm Registration No. 002878S



(CA. C R Krishna)

Partner

Membership No. 27990

B K Ramadhyani & Co.,
68, 4B, 4th Floor, Chitrapur Bhavan
8th Main, 15th Cross,
Malleshwaram,
Bangalore – 560 055

B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No. 68, 8th Main, 15th Cross,
Malleshwaram, Bangalore - 560 055

Date: August 09, 2012

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

Regd Office: Industrial Suburb, Rajajinagar, Bangalore - 560 010

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2012


PART-1		Amount (Rs.in Lacs)			
Sl No	Particulars	Standalone			Standalone
		Three Months ended 30/06/2012	Preceeding Three Months ended 31/03/2012	Corresponding three months ended 30/06/2011 in the previous year	Previous Year ended 31/03/2012
		Reviewed	Audited	Reviewed	Audited
1	Income from Operations				
a	Gross Sales	20955	23971	23,401	94,902
	Less : Excise Duty	1910	2012	1,867	7,728
b	Other Operating Income			-	
	Net Sales/ Income from operations	19,045	21,959	21,534	87,174
2	Expenses				
a	Cost of Materials consumed	14528	13657	17,427	66,613
b	Purchase of Stock in trade	-	-	-	-
c	Changes in Inventories of Finished Goods, Work in progress and Stock in Trade	(899)	2,809	(288)	(1,027)
d	Employee benefits expenses	2158	1791	2,013	8,013
e	Depreciation & Amortisation Expenses	448	477	439	1,839
f	Other expenses	1893	2018	1,580	7,473
g	Total	18,128	20,752	21,171	82,911
3	Profit from Operations before other income, finance cost and exeptional items (1 - 2g)	917	1,207	363	4,263
4	Other Income	57	387	71	576
5	Profit from ordinary activities before finance cost and exceptional items (3+4)	974	1,594	434	4,839
6	Finance Costs	822	854	904	3,830
7	Profit from ordinary activities after finance cost but before exceptional items (5-6)	152	740	(470)	1,009
8	Exeptional Items (Net)			-	
9	Profit from ordinary activities before tax (7- 8)	152	740	(470)	1,009
10	Tax Expenses	30	51	-	52
11	Net profit from ordinary activities after tax (9-10)	122	689	(470)	957
12	Extraordinary Item (net of tax expense)			-	
13	Net profit for the period (11+12)	122	689	(470)	957
14	Share of Profit/(Loss) from Associates				
15	Minority Interest				
16	Net Profit after taxes, minority interest and share of Profit/(Loss) of associates	122	689	(470)	957
17	Paid up Equity Share Capital (face value of Rs. 10/-)	5,052	5,052	5,052	5,052
18	Reserves Excluding Revaluation Reserves (As per Balance Sheet of Previous Accounting Year)	NA	NA	NA	13,615
19	Earnings Per Share (EPS)				
a	Basic & Diluted EPS before Extra ordinary items (not annualised)	0.24	1.33	(0.96)	1.73
b	Basic & Diluted EPS after Extra ordinary items (not annualised)	0.24	1.33	(0.96)	1.73



Part -II					
20	Aggregate of Non-Promoters Shareholding				
A	Particulars of Shareholding				
1	Public Share Holding				
	-Number of Shares	25,618,327	25,636,684	25,658,739	25,636,684
	-Percentage of Shareholding	50.71%	50.74%	50.79%	50.74%
21	Promoters and Promoter group shareholding				
a	Pledged/Encumbered				
	-Number of Shares	-	2,500,000	2,500,000	2,500,000
	-Percentage of Shares(as a % of the total sharehold of promoter and promoter group)	-	10.05%	10.06%	10.05%
	-Percentage of Shares (as a % of the total share capital of the company)	-	4.95%	4.95%	4.95%
b	Non-Encumbered				
	-Number of Shares	24,903,040	22,384,683	22,362,628	22,384,683
	-Percentage of Shares(as a % of the total sharehold of promoter and promoter group)	100.00%	89.95%	89.94%	89.95%
	-Percentage of Shares (as a % of the total share capital of the company)	49.29%	44.31%	44.26%	44.31%

B			3MONTHS ENDED 30/06/2012
		INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter		Nil
	Received during the quarter		Nil
	Disposed of during the quarter		Nil
	Remaining unresolved at the end of the quarter		Nil

Revenues, Results & Capital Employed for the Segments for the quarter ended June 30, 2012

SL No	Particulars	Standalone			Standalone
		Three Months ended 30/06/2012	Preceeding Three Months ended 31/03/2012	Corresponding three months ended 30/06/2011 in the previous year	Previous Year ended 31/03/2012
		Reviewed	Audited	Reviewed	Audited
1	Segment Revenues				
	POWER GENERATION/ DISTRIBUTION	9,928	11,721	12,345	47,241
	ROTATING MACHINES	10,771	11,002	10,096	43,642
	OTHERS	1,075	1,727	1,761	6,965
	Total	21,774	24,450	24,202	97,848
	Less: Inter segment revenues	819	479	801	2,946
	Sales / Income from operations	20,955	23,971	23,401	94,902
2	Segment Results				
	Profit before interest, depreciation and tax expense				
	POWER GENERATION/ DISTRIBUTION	1002	885	511	3,328
	ROTATING MACHINES	940	1477	818	5,026
	OTHERS	241	454	370	1,667
	Total	2,183	2,816	1,699	10,021
	Less: Finance Cost	822	854	904	3,830
	Less: Other unallocable expenditure (net off unallocable Income)	1,209	1,222	1,265	5,182
	Total profit before tax expense & after extraordinary	152	740	(470)	1,009
	Add: Share of Profits/(Losses) in the Associates (net)				
	Minority Interest-Share of Profit				
	Total Profit	152	740	(470)	1,009
3	Capital Employed(Segment Assets-Segment Liabilities)				
	POWER GENERATION/ DISTRIBUTION	156	(539)	912	(539)
	ROTATING MACHINES	(334)	186	692	186
	OTHERS	116	996	(113)	996
	TOTAL CAPITAL EMPLOYED IN SEGMENTS	(62)	643	1,491	643
	ADD: UNALLOCABLE	19333	18505	17,003	18505
	TOTAL CAPITAL EMPLOYED	19,271	19,148	18,494	19,148



Consolidated Key Financials

Consolidated Key Financials of the Company for the quarter ended June 30, 2012 (Not subject to limited review by statutory auditors)

Particulars	Three Months ended 30/06/2012	Preceding Three Months ended 31/03/2012	Corresponding three months ended 30/06/2011 in the previous year	Previous Year ended 31/03/2012 (Audited)
Gross Sales	28,446	30,616	28,132	116,852
Less Excise Duty	1,910	2,011	1,867	7,727
Net Sales	26,536	28,605	26,265	109,125
Net Profit/Loss (Before Extra-ordinary Items & Taxation)	(150)	483	(748)	192
Extraordinary Items		136		136
Net Profit/Loss (After Extra-ordinary Items but before Taxation)	(150)	619	(748)	328
Provision for Taxation	46	(96)		9
Profit/Loss After Tax	(196)	715	(748)	319
Less: Minority Interest	(14)	(1)	(8)	(15)
Add/(Less) Share of (Loss)/Profit from associates	(3)	16	(7)	9
Profit/Loss attributable to shareholders of the Company	(185)	732	(747)	343
EPS Basic & Diluted (Not annualised) Rs. Per share before Extraordinary items	(0.37)	1.42	(1.51)	0.52
EPS Basic & Diluted (Not annualised) Rs. Per share after Extraordinary items	(0.37)	1.42	(1.51)	0.52

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 09, 2012. The Statutory auditors have carried out a limited review of the standalone results pursuant to clause 41 of the listing agreement.
- Earning Per Share (EPS) has been calculated after providing for preference dividend.
- There were no complaints received during the three months ended June 30, 2012.
- The company has initiated corrective action wherever necessary regarding auditors qualification in respect of certain current assets and sundry creditors mentioned in their reports on the annual accounts for the year ended March 31, 2012. In the opinion of the management these qualifications are not expected to have any material impact on the financial results of the Company for the three months ended June 30, 2012
- Previous period figures have been regrouped wherever necessary to conform with current period presentation.

PLACE: BANGALORE
DATE: 09/08/2012



For Kirloskar Electric Company Ltd

Vijay R Kirloskar
Chairman & Managing Director

